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EYES ONLY BROWLEY SMITH FOR REVIEW BEFORE PASSING GENERAL
CLIFTON FOR THE PRESIDENT

THE PRESIDENT'S INTELLIGENCE CHECKLIST--28 DECEMBER 1961

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I. LAOS:

A. YESTERDAY BOUN OUM, IRRITATED AT SOUPHANOUVONG'S HARSH
SPEECH ON HIS ARRIVAL IN VIENTIANE, PUT INTO EFFECT THE TACTICS HE
AND PHOUMI HAD EARLIER COOKED UP. HE TOLD SOUVANNA THAT THERE
WAS NO POINT IN A THREE PRINCE'S MEETING AS SUCH, THAT SOUVANNA
HAD ALL THE FACILITIES NECESSARY TO FORM A GOVERNMENT, AND THAT
IT WAS UP TO HIM TO DO SO. SOUVANNA'S CABINET SHOULD CONSIST OF
FOUR OF BOUN OUM'S SUPPORTERS, EIGHT NEUTRALS, AND FOUR PATHET
LAO. FURTHERMORE, OF THE EIGHT NEUTRALS, FOUR SHOULD BE "VIENTIANE
NEUTRALS" AND BOUN OUM'S GROUP SHOULD HAVE DEFENSE AND INTERIOR.
IN PHOUM'S MIND, THE PURPOSE OF THIS PLOY IS "TO ALLOW SOUVANNA
TO HANG HIMSELF," SINCE HE WILL BE UNABLE TO FORM A GOVERNMENT,
AFTER WHICH THE KING WILL BE INDUCED TO STEP IN AS PREMIER HIMSELF.

B. AFTER A HEATED EXCHANGE,

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THE MEETING BROKE UP

BUT REASONABLE. HE WAS WILLING TO SUBSTITUTE INFORMAL CONSULTATIONS FOR A FORMAL PRINCES' MEETING, AND WAS CONSIDERING FORMULAE FOR ENLARGING THE "NEUTRAL" GROUP TO INCLUDE SOME FROM VIENTIANE.

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D. THE THRUST OF BROWN'S REPORTING IS THAT THE US HAS LOST GROUND WITH BOUN OUM BUT GAINED SOME WITH SOUVANNA, WHILE SOUPHANOUVONG HAS BEHAVED AS AS EXPECTED.

E. TODAY THERE HAS BEEN A ROUND OF MEETINGS WITH THE KING, THE PRINCES, BROWN AND THE BRITISH AND SOVIET AMBASSADORS IN VARIOUS COMBINATIONS. WE HAVE NO WORD YET ON WHAT WAS SAID, BUT NO ONE HAS LEFT VIENTIANE AND SOUVANNA'S "INFORMAL CONSULTATIONS" SEEM TO BE TAKING PLACE.

2. CONGO:

A. KATANGAN FOREIGN MINISTER KIMBA CONTACTED OUR EMBASSY IN PARIS TUESDAY IN AN OBVIOUS ATTEMPT TO BY-PASS OUR REPRESENTATIVES IN THE CONGO WITH TSHOMBE'S VERSION OF WHAT WENT ON AT KITOMA. IT WAS APPARENT, HOWEVER, THAT KIMBA WAS FINDING LITTLE SUPPORT IN EUROPE, BUT STILL HAD HOPES OF THE BELGIAN FINANCIERS. (EMBASSY BRUSSELS SAYS THE UNION MINIERE WILL ADVISE HIM TO ACCEPT THE KITOMA AGREEMENT.)

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AROUND ELIZABETHVILLE, THE EUROPEAN COMMUNITY THERE HAS APPARENTLY PANICKED AND LARGE NUMBERS ARE TRYING TO GET OUT, INCLUDING SOME OF THE MERCENARIES. FURTHERMORE, MANY KATANGAN ARMY OFFICERS ARE DESERTING WITH THEIR ARMS TO JOIN THEIR TRIBES.

3. FALLING MORAL IN BERLIN:

OUR MISSION COMMENTS THAT FOR THE FIRST TIME SINCE 1945 BERLINERS ARE BECOMING SOMEWHAT VULNERABLE TO COMMUNIST SCARE PROPAGANDA, WHICH IS BEING USED ON A MASSIVE SCALE. THERE HAS ALSO BEEN SOME DROP IN ECONOMIC INDICES THIS FALL, COUPLED WITH A GENERAL FEELING THAT WEST GERMAN GOVERNMENT IS NOT DOING ENOUGH TO HELP BERLIN'S ECONOMY.

4. COMMON MARKET DEADLOCK:

THE MINISTERS WILL MEET AGAIN FRIDAY ON A COMMON AGRICULTURAL POLICY. AGREEMENT MUST BE ACHIEVED BY MONDAY IF TRANSITION TO THE SECOND OF THE THREE TRANSITIONAL FOUR-YEAR STAGES IS NOT TO BE POSTPONED AT LEAST A YEAR. WE BELIEVE THE SIX ARE ACUTELY CONSCIOUS OF THE LOSS OF MOMENTUM WHICH WOULD RESULT FROM FAILURE, AND SOME AGREEMENT WILL PROBABLY BE HAMMERED OUT.

5. WEST NEW GUINEA MANEUVERING:

BOTH SIDES ARE NOW WILLING TO HAVE BILATERAL TALKS, WITH A THIRD PARTY, PERHAPS U THANT, PRESENT. WHILE BOTH HAVE SAID THEY WILL DROP PRECONDITIONS, SUKARNO TOLD JONES THERE SHOULD BE "ADVANCE UNDERSTANDING" THAT THE PURPOSE OF NEGOTIATIONS WOULD BE TO CARRY OUT THE TRANSFER OF THE ADMINISTRATION OF WEST NEW GUINEA TO INDONESIA. THIS GOES WELL BEYOND ANYTHING THE DUTCH HAVE SO FAR BEEN WILLING TO BUY.

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IN PAKISTAN SINCE SEPTEMBER:

THERE IS NO SIGN THAT AFGHANISTAN IS CHANGING ITS POLICY TOWARD PAKISTAN, BUT IT HAS EVIDENTLY CONCLUDED THAT BLOCKING OUR AID SHIPMENTS HAS NOT PRODUCED THE KIND OF AMERICAN PRESSURE ON PAKISTAN THAT THE AFGHANS WANTED. WE ALSO SEE IN THE MOVE EVIDENCE THAT THE AFGHANS STILL FEEL A NEED FOR A US AID PROGRAM TO BALANCE THAT OF THE SOVIETS.

8. WATCH COMMITTEE PRELIMINARY CONCLUSIONS--27 DECEMBER 1961

NO SINO-SOVIET BLOC COUNTRY INTENDS DELIBERATELY TO INITIATE DIRECT MILITARY ACTION IN THE IMMEDIATE FUTURE.

A. BERLIN: FURTHER COMMUNIST HARASSMENTS ARE TO BE EXPECTED.

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B. LAOS: THE BREAKDOWN OF PRINCELY NEGOTIATIONS IN VIENTIANE APPEARS IMMINENT. UNDER THESE CIRCUMSTANCES, THE PROSPECTS HAVE SHARPLY INCREASED FOR A RENEWAL OF MILITARY OPERATIONS IN LAOS. THERE ARE INDICATIONS THAT THE PATHET LAO AND KONG LE FORCES ARE INCREASING PREPARATIONS FOR SUCH A CONTINGENCY.

C. SOUTH VIETNAM: VIET CONG SUBVERSIVE AND SMALL-SCALE MILITARY ACTIVITY CONTINUES AT A HIGH RATE, DESPITE WIDESPREAD COUNTER-ACTIONS BY GOVERNMENT FORCES. A RENEWAL OF MAJOR FIGHTING IN LAOS IS LIKELY TO LEAD TO INCREASED COMMUNIST OPERATIONS IN SOUTH VIETNAM. THE VIET CONG HAS THE CAPABILITY OF CONDUCTING LARGE-SCALE ATTACKS ON PRESELECTED TARGETS IN SOME AREAS OF THE COUNTRY AT ANY

D. IRAQ-KUWAIT: BRITISH FORCES BEARING ON THE AREA HAVE

BEEN ALERTED. IRAQI STATEMENTS MENACING THE FUTURE OF KUWAIT CONTINUE, BUT WE HAVE SEEN NO CONVINCING EVIDENCE OF IRAQI PREPARATIONS FOR AN ATTACK.

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B. MIKOYAN IS TO VISIT GUINEA NEXT MONTH, PRESUMABLY IN AN EFFORT TO REPAIR THE DAMAGE DONE TO SOVIET-GUINEAN RELATIONS WHEN THE SOVIET AMBASSADOR WAS OUSTED ON GROUNDS HE HAD CONSPIRED TO OVERTHROW TOURE.

C. EGYPT'S DISSOLUTION OF THE "UNITED ARAB STATES," ITS INSUBSTANTIAL UNION WITH YEMEN, RESULTS FROM NASIR'S REASSESSMENT OF HIS CONCEPT OF "ARAB UNITY" FOLLOWING THE SYRIAN DEBACLE. HE APPARENTLY FINDS IT DIFFICULT TO SEE THE IMAM AS A CO-WORKER IN THE CAUSE OF RADICAL ARAB NATIONALISM.

D. RELATIONS BETWEEN THE GREEK AND TURKISH COMMUNITIES IN CYPRUS ARE WORSENING.

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